R J Reynolds Tobacco Company

Mark Young
New York Metro

August 13, 1997

To: All Managers in the Region

Subject: No Bull Launch

Dear Managers,

After completing the first week of "*down the street*" effort on the new Winston, it appears that the entire Region is really doing the job. The street presence is extremely strong especially considering the fact that the majority of the advertising that was available was only the POS. Now with the permanent items starting to be delivered, the presence will only get stronger.

A few key points and observations:

- *It's quite apparent that having the Key Account Managers, Account Managers, Jim Guaneri and the Region staff work with the Sales, Territory and Retail Representatives is definitely a huge benefit. The benefit is not only having an extra pair of hands to do the work, but most importantly, to demonstrate exactly how to do a "National" brand introduction (most of our Representatives have never been involved .... most are new employees).*

  The comments overall from Sales, Territory and Retail Representatives have extremely positive and appreciative of the attention from the Managers that they normally never have an opportunity to work-with. Due to apparent benefits to our Representatives, the region will begin a policy for Kam's and Am's working with Representatives:

  Kam's/ Am's: Minimum of 1 Sales/Territory per month ... full day
  Minimum of 1 Retail Rep per month .... full day

  This standard will begin in September. For the remainder of August (No Bull Initial Launch Month) all Managers should spend every available day possible with Representatives. With the importance of introducing the New Winston, I think everyone will agree that this is Time Well Spent.

- *Consumer Mission: We all know the importance of talking to consumers and explaining the Winston Point of Difference .... NO ADDITIVES. There are many of our newer Representatives that apparently are reluctant to do a*

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consumer mission or quite simply, don't know how. Demonstration is the only way to address the problem. Make sure that everyone understands the importance of letting the smokers know why Winston is different and the fact the just one new smoker represents 1 full case of incremental RJR business over a 12 month period!

- ❑ *Winston Box Distribution: Without a doubt, I think everyone in the region understands this objective. All stores that I've personally been in, have a complete distribution of our Winston Box products. Even the lower volume Territory calls are buying 2 to 3 of the Box styles. We realize that direct account out-of-stocks are a problem that we're quickly working on. But when you consider that our normal weeks shipments for the entire region on Winston Ultra Box is 8 cases .... and last week we shipped 122 cases, you can understand why we're experiencing OOS's at the bonded warehouse.*

- ❑ *The Stick to Stick Message: EXTREMELY Important! Everyone is doing an excellent job of presence. If we can get the competitive smoker to understand that Winston is actually "Totally New" and now with no additives, we have an excellent chance for trial of our new product. The most important way to get the message across (other that face to face), is the No Bull changemats. Let's get them on every possible counter!*

- ❑ *Retail Stores that still have large inventories of discounted old graphics: While working the street last week, I ran into a few stores that had fairly heavy inventories of old graphics left in stock. A number of these stores asked if they could keep the discounted old graphics vs. sending it back to the direct account because they explained that they would have no problem selling it out in the next week. If the store was willing to place the old graphics on a temporary display and loading our permanent footprints exclusively with the new Winston product, then we let them keep the old product. After all, even if we sell Winston with a $.40 discount ..... we make money. If we ship it back as returns .... we loose almost $1.50 per carton. Use your own good judgment as you work with your people.*

After completing the first full week of down the street, everyone should be complemented on how quickly the marketplace turned into "No Bull". The advertising presence which is normally strong has become "Excellent"! The initial comments sent in by all managers last Friday indicates that we do have something evolving with the new Winston in terms of consumer interest and most importantly, competitive trial. In the coming weeks let's keep this pressure and focus on Winston!

Sincerely,

Mark Young

cc: Dave Wilmesher

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